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March 24, 2014

TO: Each Supervisor

FROM: 
Sheryl L. Spiller, Director

SUBJECT: **DEPARTMENT OF PUBLIC SOCIAL SERVICES' STATUS REPORT ON THE IMPLEMENTATION OF HEALTH CARE REFORM**

This is to provide you with a status report on the Department of Public Social Services' (DPSS) activities implementing Health Care Reform (HCR). Below is a summary of our efforts and statistical information on applications and enrollments.

DPSS has played a key role in the overall efforts to successfully implement HCR in Los Angeles County. These efforts began in 2010, as California was one of the first States to enact legislation creating a health benefits exchange under the provisions of HCR. Since then, DPSS has made substantial advances in implementing HCR over the past three years, laying the groundwork for the Pre-Enrollment period of October 1 to December 31, 2013, as well as the Medi-Cal expansion that went into effect January 1, 2014.

HEALTHY WAY L.A. TRANSITION TO MEDI-CAL

The purpose of the Healthy Way L.A. (HWLA) Program was to enroll eligible uninsured individuals, including almost all individuals receiving General Relief, into no-cost health care coverage prior to implementation of the Affordable Care Act, so that there would be a seamless conversion from the HWLA Program to the Medi-Cal Program. Effective January 2014, eligible uninsured individuals enrolled in HWLA transitioned from the Department of Health Services (DHS) to DPSS for ongoing Medi-Cal eligibility and case maintenance. The transition included the following:

- DPSS programmed the LEADER system to process HWLA applications, and otherwise supported HWLA; LEADER was utilized by DHS and its community partners.
- DPSS assisted DHS in successfully enrolling over 307,000 beneficiaries in HWLA by December 31, 2013, which included DPSS eligibility staff processing HWLA applications and annual redeterminations for individuals who enrolled in HWLA before October 2012.
- Effective January 1, 2014, HWLA beneficiaries were transferred to Medi-Cal and were assigned to DPSS District Offices for case management by Eligibility Workers.

MODIFIED ADJUSTED GROSS INCOME MEDI-CAL

Under the federal expansion of the Medi-Cal Program, effective January 1, 2014, Medi-Cal eligibility is now determined by using the new Modified Adjusted Gross Income (MAGI) methodology. Under MAGI, the reported tax household composition and income determines eligibility to Medi-Cal. "MAGI Medi-Cal" implementation included the following:

- DPSS successfully launched the Exchange Call Center, to take applications for health care benefits from customers transferred to DPSS by Covered California. DPSS received over 19,000 calls transferred from Covered California from October 1, 2013 to December 31, 2013. (6,191 phone applications and 12,809 inquiries).
- DPSS trained over 6,000 eligibility staff on the new MAGI Program and CalHEERS, the Covered California computer system.
- During the last two weeks of 2013, DPSS assisted Covered California with the processing of 10,000 health care paper applications to ensure that they were processed in advance of the pre-enrollment cut-off date of December 31, 2013.

STATISTICAL INFORMATION

- During the Pre-Enrollment Period of October 1st through December 31st, Medi-Cal applications were received through the following application channels:

Application Channels	Number of Applications
In-Person/Mail/On-Line (YBN) Applications Received Directly by DPSS	57,347
Phone Applications Received by Covered CA and Transferred to DPSS	6,191
On-Line Applications Received by Covered CA and Transferred to DPSS	142,086
Total Applications:	205,624

- Individuals Receiving Medi-Cal by Month (Includes CalWORKs Recipients)

Report Month	October 2013	November 2013	December 2013	January 2014
# of Beneficiaries	1,783,230	1,797,981	1,870,380	2,160,787
Change in Beneficiaries from Previous Month		+14,751	+72,399	*+290,407

*The 290,407 beneficiaries indicated in January 2014 does not accurately reflect the total increase in the actual number of beneficiaries due to interface issues with CalHEERS.

As a result of the Department's focus on Medi-Cal outreach and with the transition of the Healthy Families Program to DPSS, there has been an increase of 479,059 Medi-Cal beneficiaries from 1,686,728 in January 2013, to 2,160,787 in January 2014.

CHALLENGES

Throughout the implementation of HCR and its expansion of Medi-Cal, DPSS has encountered many challenges with Covered California and CalHEERS in ensuring that enrollees have appropriate eligibility determinations and seamless access to care. CalHEERS has known technical and programmatic system flaws which are still being resolved. These problems have at times resulted in inaccurate eligibility determinations, delayed applications processing, and an in-accurate count of Medi-Cal beneficiaries. Additionally, the interface between CalHEERS and our existing Statewide Automated Welfare System (SAWS) Consortia (which includes LEADER) was delayed many times and only recently went live. CalHEERS' system flaws and the interface delay have forced counties to develop complex, labor intensive and imperfect workarounds in order to ensure that individuals and families receive the correct Medi-Cal coverage. Counties also continue to constantly be given new and changing policy directions and clarifications, often daily. This all has been a tremendous workload for our staff. Despite these challenges DPSS continues to work closely with Covered California and the Department of Health Care Services to resolve these challenges so that participants receive the benefits to which they are eligible.

CONCLUSION

HCR implementation has involved many challenges, primarily due to State readiness issues. However, DPSS continues to work closely in collaboration with the State, County Welfare Directors Association, Community Partners, Chief Executive Office, Department of Health Services, Department of Mental Health, and other partners to ensure health coverage is made available throughout Los Angeles County.

Although the March 31, 2014, deadline for Covered California's open enrollment will impact applications for subsidized coverage [such as Cost Sharing Reduction (CSR) and Advanced Premium Tax Credit (APTC)], it will not impact individuals applying for Medi-Cal coverage. There is no open enrollment period associated with Medi-Cal. Therefore, DPSS will continue to process Medi-Cal applications as usual.

If you have any questions, or require additional information, please contact me at (562) 908-8383, or your staff may contact Jose R. Perez, Acting Assistant Director, at (562) 908-8633, or via email at joseperez@dpss.lacounty.gov.

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